



1H 2024 Results Presentation

SEPTEMBER 2024



Disclaimer

Capital Markets Board Bulletin No. 2023/81 dated December 28, 2023, announced that issuers and capital market institutions are required to prepare their annual financial statements for the fiscal periods ending on or after December 31, 2023, in accordance with the provisions of IAS 29 inflation accounting.

Accordingly, this presentation regarding the 2024 second quarter financial results contain the Company's audited financial information prepared according to Turkish Accounting/Financial Reporting Standards by application of IAS29 inflation accounting provisions.

In addition to this information, given that the guidance information and the 2024 Q2 interim financial results announced so far were presented without the application of inflation accounting, in order to enable investors and analysts to conduct a full-fledged analysis, supplementary historical information for selected key performance indicators used in prior periods' investor

presentations were provided. Such supplementary information is made available for this period, and contains unaudited financial information prepared for management reporting purposes.

The information and opinions contained in this document have been prepared for the purpose of providing a consistent and comparable evaluation of our financial performance, under the responsibility of our Company's Board of Directors and managers responsible for financial reporting.

This presentation may contain forward-looking statements reflecting the current views, expectations, assumptions, and forecasts of the Company's management regarding certain future events, using words such as "may," "will," "expect," "believe," "plan," and "anticipate." While the Company believes that the expectations reflected in these forward-looking statements are reasonable under current circumstances, actual results may differ depending on developments and events affecting the

variables and assumptions underlying future expectations and estimated figures.

The Company, its shareholders, members of the board of directors, managers, employees, or any other person cannot be held responsible for any damages that may arise from the use of the contents of this presentation.



Kron at a Glance

Leading Provider of
cybersecurity solutions for
Identity and Access
Management and Data
Security with
17+ years
of experience

250+ 

Customers globally in
32 countries

40% 

of revenue from
International Markets
in 1H2024

Continuous
R&D Investment
with expert staff in
3 R&D centers
in Turkey

Highly recognized by
analyst firms like **Gartner,**
KuppingerCole,
Forrester and **Omdia** as
a leader in PAM domain

158 

Employees globally

Global Footprint



Offices & Sales Teams

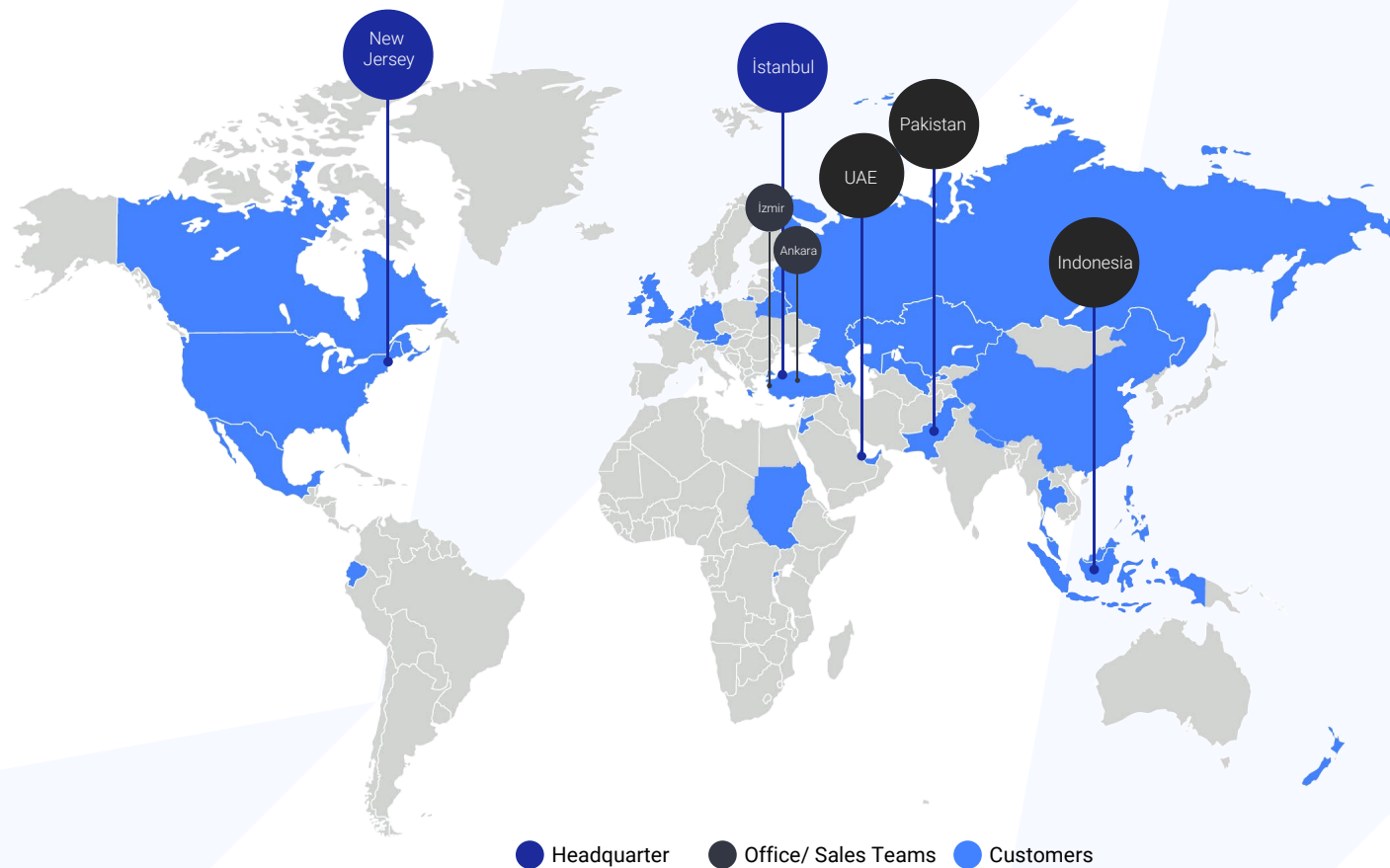
- Istanbul
- Ankara
- Izmir
- USA
- Pakistan
- UAE*
- Indonesia*



7x24 Global Operation Capability



3 R&D Centers



6
Continents

32
Countries

250+
Customers

500+
Projects

**Newly established in 1H 2024*

1H 2024 Highlights

Consolidated Results

- Our **Consolidated Revenues remained flat in 1H2024 at 152.7 million TL** post IAS 29 adjustments
 - In **USD terms**, our **Consolidated Revenues grew by 12.3%**
 - Growth came primarily from strong performance of our business in Turkey
- Our international sales constituted 40% of our revenues, with **sales in foreign currency accounting for 57%**
- In 1H2024 we issued **127 invoices to 67 customers**, showcasing our ability to cross-sell and upsell, a key pillar of our growth strategy
- Our **subscription revenues increased to 17.5%** of total invoiced revenues in 1H2024, a notable increase from 10.2% in 1H2023, highlighting the success of our recurring revenue strategy
- Our **EBITDA declined by 21%** year-over-year, primarily due to lower foreign exchange income from operations
- Our balance sheet continued to strengthen, with a **net cash position of 94.9 million TL, up from 34.0 million TL** in June 2023, and a **bank debt of 20.5 million TL, down from 41.4 million TL** last year



Revenues flat in TL post IAS29, +12.3% in USD



Robust balance sheet and cash position for future growth



Presence established in Middle East and Indonesia

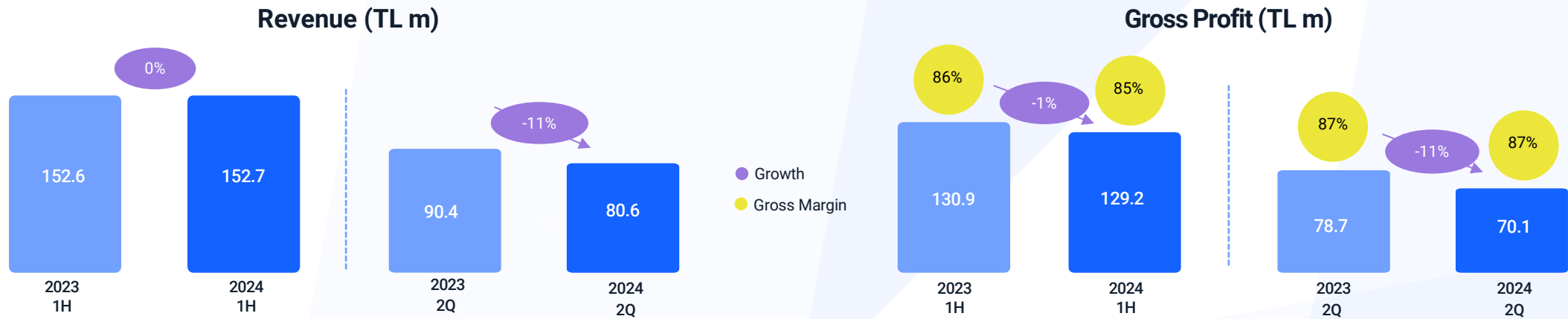


1st ranking in Bilisim500 for Data Security Software

Other Developments

- As a result of our investments into the channel ecosystem, we continue to successfully enable partners and **have transacted through 54 different partners in 1H2024**
- As part of our global expansion efforts, we have established **our sales presence in Middle East and Indonesia**
- Kron secured **1st ranking in Bilişim500 for Data Security Software**, marking our fourth consecutive win, underscoring our leadership position in this critical category

1H 2024 IFRS Consolidated Results ^{1/2}

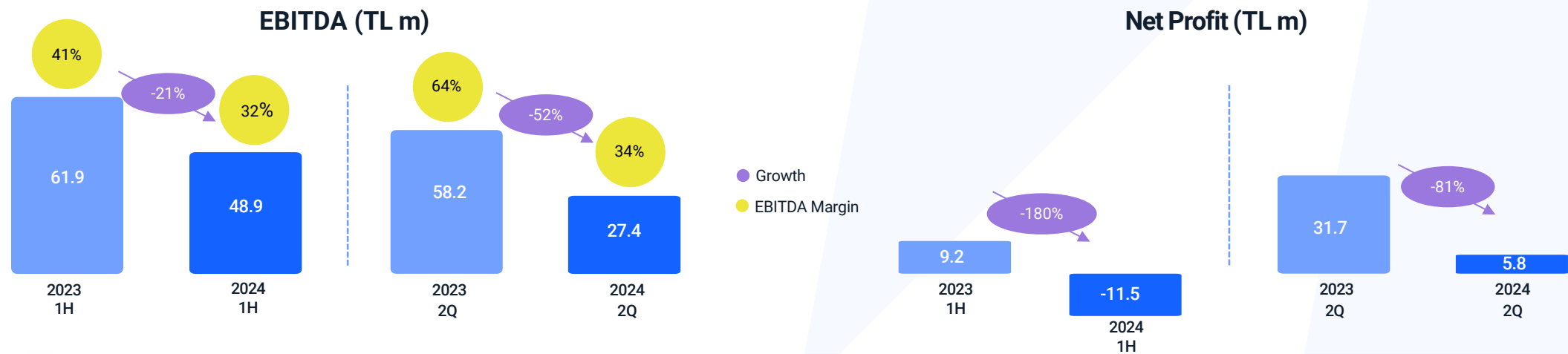


Our consolidated revenues and gross profit in 1H2024 was flat compared to previous year post IAS29 adjustments

- Our consolidated revenues in 1H2024 in USD terms were \$4.6m, compared to \$4.1m in 1H2023, representing a growth rate of 12.3%*
- While we successfully grew our sales in 1H2024 compared to previous year, the impact of inflation accounting (IAS 29) on USD denominated sales distort our true growth due to the discrepancy between inflation and FX rate changes
 - June 2023 IAS 29 Adjustment Coefficient: 71.6%
 - June 2023 to June 2024 change in USD / TL: 26.3%
- Example:
 - June 2023: \$1M USD revenue = TL 26M, adjusted to TL 44.6M under IAS 29
 - June 2024: \$1M USD revenue = TL 32.9M
 - Result: Same USD revenue appears 26% lower after IAS 29 adjustments

*Based on pre IAS revenues divided by average exchange rate in the respective periods

1H 2024 IFRS Consolidated Results ^{2/2}



While Gross Profit remained stable, our Consolidated EBITDA declined by 13 million TL in 1H2024 compared to the same period last year

The decline in EBITDA was due to higher opex, particularly due to lower FX gains from operations as a result of higher depreciation of TL in 1H2023 compared to 1H2024

(in TL m)	1H2023	1H2024	▲ Year-over-year
General Administrative Expenses (-)	(19.7)	(24.0)	4.3m higher
Marketing Expenses (-)	(59.7)	(47.0)	12.7m lower
R&D Expenses (-)	(40.7)	(52.8)	12.1m higher
Other Income from Main Operations	40.1	25.0	15.1m lower

Our Net Profit in 1H2024 was down by 20.7 million TL compared to previous year, largely attributed to the lower EBITDA and an increase in Net Monetary Losses

All figures include IAS29 impact

Balance Sheet and Liquidity Position

Net Cash Position (TL m)



Net Cash Position	31 December 2023	30 June 2024
Cash and Cash Equivalents	+66.0	+58.7
Financial Investments	+9.5	+56.7
Bank Debt	-41.4	-20.5

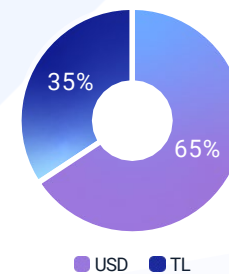
2024 Net Cash
Position
TL 94.9m

USD interest
rate of
9%

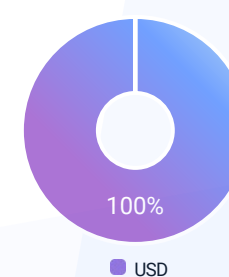
Favourable Currency Exposure

Debt and cash currency breakdown (30 June 2024)

Cash and Cash Equivalents

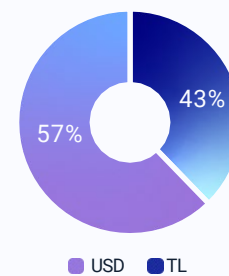


Bank Debt

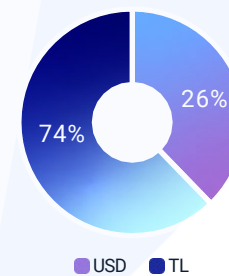


Revenue and cost breakdown by currency

Revenue

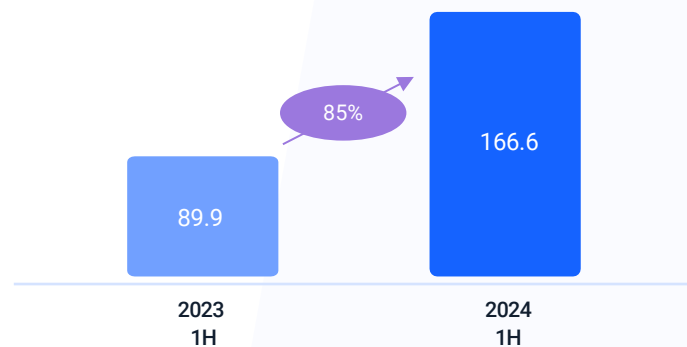


Cost



1H 2024 Invoiced Revenues

Invoiced Revenues^(*) (TL m)

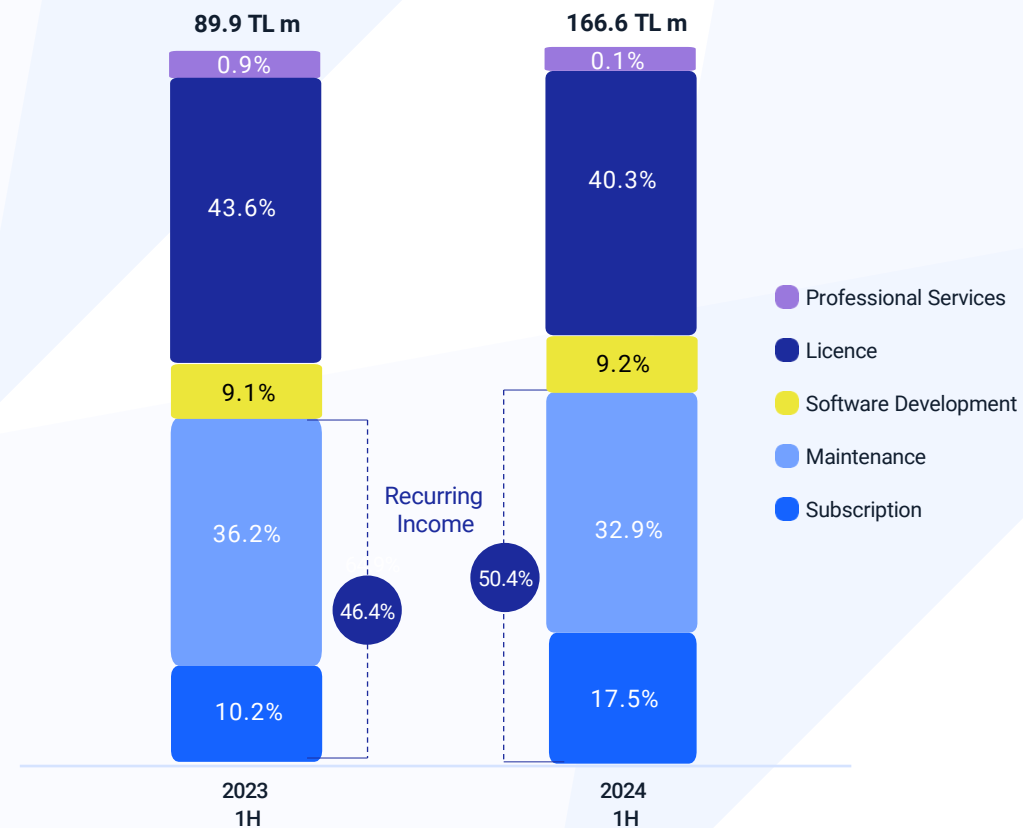


Our invoiced revenues^(*) demonstrated robust growth, **with an increase of 85%**

Main driver for growth was **strong performance of our business in Turkey**

Our **subscription revenues increased to 17.5%** of total invoiced revenues in 1H2024, a notable increase from 10.2% in 1H2023, highlighting the success of our recurring revenue strategy

Breakdown of Invoiced Revenues



^(*)Invoiced revenues are revenues that have been invoiced within the relevant reporting period but are recognized in the income statement in the same reporting period or in subsequent reporting periods, according to IFRS rules. Figures do not include the effect of IAS 29.

Kron's 1H 2024 Key Achievements & Activities 1/3

Recognition for Innovation and Contribution to Turkey's Export



Leading in Data Security Software

Kron ranked [first for the fourth consecutive time](#) in the [Bilişim500](#) for Data Security Software. CEO Mete Sansal stated, "This achievement reflects our years of dedicated efforts and the consistent execution of our strategies. The award serves as a testament to the quality and reliability of the solutions we provide. As a proud local and national brand, we are honored to represent our country at the highest level on both national and international stages."

Silver Award at "Export Accelerators"

Kron's [Telemetry Pipeline](#) earned a silver prize in the [Data Analytics and Artificial Intelligence](#) category, recognized at the Export Accelerators Competition held during the [Mobilefest Technology Fair and Conference](#).



Kron's 1H 2024 Key Achievements & Activities ^{2/3}

Strategic Partnerships and Ecosystem Expansion



Cloud Access Security Partnership with İşNet

Kron has partnered with [İşNet](#), a leading IT provider in Turkey, to offer [privileged account access security](#) as-a-service, enhancing cybersecurity for İşNet's cloud-based customers.

Gold Sponsorship of GlassHouse Event

Kron was a [Gold Sponsor](#) at [GlassHouse's Customer Experience Day '24](#), where [Ayşe Yenel](#), Chairperson of the Executive Board, highlighted the importance of [digitalization and innovation](#) for enhanced efficiency.



Regional Partner Summit with Naizak Distribution

Kron strengthened regional relationships by organizing a summit with [Naizak Distribution](#), engaging over 50 partners in MEA region to discuss Kron's [product offerings](#) and strategic goals.

Kron's 1H 2024 Key Achievements & Activities ^{3/3}

Expanding Global Brand Presence



GISEC Global in Dubai

Kron showcased its solutions at [GISEC Global](#), one of the largest information security platforms, creating new opportunities with regional distributors, partners, and customers.

Channel Partners Expo & MSP Summit

As the [only technology manufacturer from Turkey](#), Kron participated in this prominent event in the U.S., demonstrating its advanced [Identity and Access Management](#) and [Data Security](#) solutions.



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Gartner 2024 Middle East Summit

Kron actively participated in the [Gartner Security and Risk Management](#) Summit in Dubai, engaging in strategic discussions for [regional investments](#) and launching new projects with distributors and partners.

2024 Guidance Unchanged



Revenue Growth

(before IAS 29)

65-70%



EBITDA Margin

(before IAS 29)

40-45%



1H 2024 Audited Financial Statements



Income Statement

TL	1H 2023 (IAS 29)	1H 2024 (IAS 29)	Change %
Net Sales	152,612,037	152,660,394	0%
Cost of Sales	-21,642,987	-23,363,492	8%
Gross Profit	130,969,050	129,296,902	-1%
Gross Profit Margin	86%	85%	
Operating Expenses	-91,437,147	-109,758,464	20%
<i>G&A Expenses</i>	-19,740,042	-23,954,770	21%
<i>Marketing Expenses</i>	-59,735,265	-47,036,911	-21%
<i>R&D Expenses</i>	-40,719,270	-52,873,732	30%
<i>Other Operating Income/Expense, Net</i>	28,757,330	14,106,949	-51%
Operating Profit	39,531,903	19,538,438	-51%
Amortisation	22,401,910	29,362,249	31%
EBITDA	61,933,813	48,900,687	-21%
EBITDA Margin	41%	32%	
Financial Expenses, Net	-7,777,039	790,421	-110%
Monetary Gain / (Loss)	-22,024,338	-32,657,145	48%
Profit Before Taxes	11,047,801	-10,977,876	-199%
Tax Income / (Expense)	-1,838,760	-568,179	-69%
Profit / (Loss)	9,209,041	-11,546,055	-225%
Profit Margin	6%	N/A	



1H 2024 Audited Financial Statements



Balance Sheet

TL	31 Dec 2023 (IAS 29)	30 Jun 2024 (IAS 29)	Change %
Cash and Cash Equivalents	66,010,336	58,757,050	-11%
Financial Investments	11,154,886	58,247,242	422%
Trade Receivables	245,688,928	128,767,654	-48%
Inventory	2,316,991	1,704,416	-26%
Tangible Assets	6,971,797	9,373,640	34%
Intangible Assets	230,123,832	248,314,444	8%
Deferred Tax Assets	2,103,146	1,937,726	-8%
Total Assets	619,430,129	563,536,242	-9%
Short-Term Financial Liabilities	146,330,882	120,855,124	-17%
Trade Payables	5,409,195	6,514,351	20%
Total Liabilities	229,410,728	198,985,138	-13%
Equity	390,019,401	364,551,104	-7%
Total Equity + Liabilities	619,430,129	563,536,242	-9%



Thank You

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